

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA	)	
GAS OF KENTUCKY, INC. FOR	)	
AUTHORITY FOR THE ISSUANCE	)	CASE NO. 96-267
AND SALE OF COMMON STOCK	)	
AND PROMISSORY NOTES	)	

O R D E R

IT IS ORDERED that Columbia Gas of Kentucky, Inc. ("Columbia") shall file the original and 10 copies of the following information with the Commission within 10 days of the date of this Order. When a response requires multiple pages, each page should be indexed appropriately, for example, Item 1(a), Page 2 of 4. With each response include the name of the witness who will be responsible for responding to questions related thereto. Careful attention should be given to copied material to ensure that it is legible.

1. Does Columbia still intend to issue the \$4,200,000 in notes the Commission authorized in Case No. 95-028?<sup>1</sup>
2. Why is the default premium still included as part of the proposed terms now that the Columbia Gas System is out of bankruptcy?
3. Provide a copy of the proposed new loan agreement with the Columbia Gas System. Has this agreement been approved? If not, when is the Board of Directors

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<sup>1</sup> Case No. 95-028, The Application of Columbia Gas of Kentucky for Authority for the Issuance and Sale of Promissory Notes.

expected to consider it? Are all Columbia Gas System affiliates subject to this same agreement?

4. Explain the need for the new loan agreement. Identify and discuss each change from the current agreement.

5. Provide a comparison for the past seven years of the effective cost of money for each issuance of long-term debt by the Columbia Gas System and the interest rate that would have been applicable under the alternate methodology using the yield on "A" rated utility bonds.

6. Columbia's proposed capital expenditures for 1996 includes \$270,000 for new business identified as Cooper Tire Mt. Sterling. Is this the project for which Columbia applied for a certificate in Case No. 96-015?<sup>2</sup>

7. Since Columbia's application in Case No. 96-015 was denied, will its financing needs be reduced accordingly?

Done at Frankfort, Kentucky, this 12th day of July, 1996.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director

<sup>2</sup> Case No. 96-015, The Application of Columbia Gas of Kentucky, Inc. for an Order Issuing a Certificate of Public Convenience and Necessity to the Extent Such a Certificate is Required to Construct a Pipeline to Service Cooper Tire, Inc. in Mt. Sterling, Kentucky, Order dated July 10, 1996.